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THE AGRICULTURAL SITUATION REVIEW

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ANNOUNCEMENT: We start now into the producing season of another crop year and agriculture in America pauses a moment to take stock of the situation before plunging into the toil of making a crop to feed and help clothe tens of millions of people. Our monthly review of the agricultural situation prepared for us by the United States Department of Agriculture will help us to understand how our basic industry fares in a springtide following hard upon a winter of stress. We start with some comments upon Dame Nature's part in the drama of agriculture.

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"At this season," remarks our friend who prepares the monthly Federal report on the agricultural situation, "at this season, the weather becomes one of the farmer's foremost concerns. Thus far the weather has been generally favorable, allowing field work to progress rather faster than usual. Oats are practically all sown, cotton planting is going forward, corn planting is working up into the Kansas latitudes, the Dakotas are sowing spring wheat, potatoes are in the ground up through the middle States, fruit trees are blooming already in the central valleys. It appears to be a fairly early growing season. The condition of winter wheat is good, on the whole. Rains have helped the southeast and the northwest, although signs of the drought still linger in some eastern sections."

Although we suspect that this comment on the weather was written before the belated blast of winter winds brought death and suffering to farm people and range animals of the Great Plains last week, it still holds good for the country as a whole. Perhaps the eastward sweep of colder weather in the wake of the storms also nipped advanced fruit buds in some sections, but that story will be unfolded later.

Now leaving the weather element -- always to be taken into account, but always unpredictable -- we turn to a consideration of the farmer's business situation as the new season comes on. What are we carrying over in store from last season? What do we, as a nation, intend to produce this season? The answers to these questions are contained in two Federal reports issued last month.

As to the inventory of old crops on hand this spring, we find a peculiar situation. On March 1, stocks of old corn on farms are revealed as the smallest -- decidedly the smallest -- in 29 years. They are only about two-thirds of normal. Oats stocks also are slightly below average. But,

in contrast with the coarse grains, farm stocks of wheat are almost a fifth larger than average.

Naturally, the shortage of coarse grains and the abundance of wheat causes farmers to revise their cropping programs. Other factors are at work, too. The Federal economists comment that "farmers are as alert to market forces as are industrial producers." However, they meet at least as great difficulty in making adjustments as do industrial producers, and the difficulties of adjustment are very great all through the business structure in times like these.

In an effort to make the adjustments seemingly dictated by circumstances, farmers give intention of increasing the corn acreage about 5 per cent and oats about 6 per cent. These, you remember, are the crops now in shorter supply than normal. On the other hand, the wheat surplus plays its part in causing farmers to indicate intentions to decrease durum wheat 24 per cent and other spring wheat 12 per cent.

Summing up, the Department of Agriculture men observe that "with large stocks of wheat and cotton in existence and discouraging conditions surrounding the market for these two leading crops, the tendency is to turn toward potatoes, sweet potatoes, and minor cash crops and to build up the supply of feed grains."

Here are the percentages of increase intended for some of these minor cash crops and feed grains, aside from corn and oats: barley, 12 per cent; grain sorghums, 6 per cent; potatoes, 11 per cent; sweet potatoes, 29 per cent; peanuts, 31 per cent; soybeans, 25 per cent; cowpeas, 29 per cent. The increases in soybeans and cowpeas are intended largely for hay.

As for decreases intended in crops other than wheat they include a flax acreage cut of 4 per cent; rice, 3 per cent; tobacco, 1 per cent; and beans, 1 per cent.

So much for the cropping plans of farmers in the new season as reported on March 1, to the U. S. Department of Agriculture. The other great branch of farming is the animal industries. In our monthly reports on the agricultural situation we try to get at their business situation in general terms. Here are the salient points of livestock markets:

Hog prices made their winter low late in February, instead of three months earlier, as is usual. The markets advanced in March. But the advance is held back because people both in this country and abroad are not eating so much pork as in recent years of rushing business activity. Coupled with this slow demand is some increase in slaughter over last year. And increased slaughter, since demand is slack, means that stocks of pork products in storage are increasing. "Unless consumer demand for meats strengthens considerably," say the economists, "any further price improvement on hogs this spring will probably be only moderate."

Lamb prices in March were the highest since last August. As a matter of fact lamb prices usually advance in the months from January to March. But this year's gain was less than usual, and not so large as most lamb feeders looked for. Prospects are definitely for a continued large supply of lambs during 1931. The open winter has conserved feedstuffs, and also has kept the ewes in good condition, so that we find favorable indications for a good crop at lambing time when it looked, at the beginning of the winter, as if the crop might be curtailed by feed shortage. "Consumers of lamb," say the Federal market analyzers, "need have no uneasiness as to the ability of the industry to keep them well supplied with this fine meat for next year."

Egg eaters certainly have had no occasion to worry over lack of this table delicacy during the past winter. Last year huge supplies of eggs were stored, then the mild winter brought on a flood of egg production from the nation's flocks. The result was the lowest egg prices in a generation. People made the natural response to this condition, and enthusiastically increased their egg consumption. But early in March the flow of fresh eggs to the markets diminished and prices started upward. They went too fast, and consumers apparently cut down a bit on their egg buying. Then, too, egg breaking plants slowed down operations. So by mid-March, when more eggs began coming to market at higher prices, the stage was set for a break in the markets. Now the egg trade seems to feel that further price advances will wait until the peak of production is passed. But the traders do believe that this will occur earlier than last year. Poultry prices, in contrast with egg prices, held steady during March. Even though more dressed poultry came on the market, it encountered smaller stocks of frozen poultry than last year.

Butter, like eggs, has been low in price this winter, and consumers have responded by buying more. That has cut down the huge storage stocks of butter, even though the make of butter this year is running ahead of last year's. Like butter production, the output of fluid milk is exceeding 1930 production at the same season of the year. Fluid milk prices drifted downward in a few places during March, but not so much as in February. The market analysts admit they haven't a clear view of future prospects, but they say that "the encouraging feature of the whole situation is the apparent increase in consumption which has resulted from low prices. This support comes at an opportune time."

Just a glimpse at the fruit and vegetable industries -- those lusty young giants among our farming businesses. Here are the summary paragraphs from the March market review for fruits and vegetables:

"Low temperatures and heavy snowfall which occurred throughout the eastern half of the United States during early March were a mixed blessing. The snow doubtless afforded considerable relief from the prolonged drought -- but cold weather and heavy frosts damaged tender vegetables in southern districts and caused some delay in movement of spring crops. Production also may be somewhat reduced.

"The long-awaited 'spring rise' in produce markets began to materialize during early March, and sharp price advances were registered for many lines by the end of the month. Higher prices attracted heavier shipments, so that the combined carlot movement had increased greatly to 19,000 cars per week, or 3,000 more than last year. It began to look as if markets might react and lose part of their price gains, because of excessive arrivals of some products. The pendulum seemed to be swinging a little too high. Strawberries were about the only product which was not advancing in price during late March, and temporary weakness of the berry market was the result of a brief period of heavy-late shipments from Florida."

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ANNOUNCEMENT: So we conclude another of the monthly reviews of the agricultural situation prepared for us by the United States Department of Agriculture. This radio report hits the highlights of the monthly printed report entitled "The Agricultural Situation," issued by the Department. Single copies may be obtained without charge. The yearly subscription price is 25 cents.

